



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(FINANCIAL MANAGEMENT AND COMPTROLLER)
1000 NAVY PENTAGON
WASHINGTON, D.C. 20350-1000

JUL 16 2001

MEMORANDUM FOR DISTRIBUTION

Subj: GUIDANCE FOR TRI-ANNUAL REVIEWS OF COMMITMENTS AND
OBLIGATIONS

Ref: (a) DOD FMR Volume 3, Chapter 8, Section 0804
(b) ASN(FM&C) memo of 26 Jun 96; Subj: Review
of Commitments and Obligations
(c) ASN(FM&C) memo of 11 Apr 96; Subj: Report of
Obligations Review
(d) ASN(FM&C) memo of 7 Dec 95; Subj: Review of
Obligations Reporting Format

Encl: (1) Tri-Annual Review Confirmation Statement and
Criteria for Fund Holders
(2) Tri-Annual Review Confirmation Statement and
Criteria for Major Commands

Department of the Navy (DON) fund holders have a continuing responsibility to ensure the accuracy and timeliness of financial transactions. Your diligence in carrying out this responsibility not only helps ensure that DON financial reports and the associated information used by management to make informed resource allocation decisions are accurate, but also facilitates reductions in problem disbursements and potential violations of the Antideficiency Act.

By reference (a), the Department of Defense Financial Management Regulation (DOD FMR) sets forth specific provisions for the Tri-annual Reviews of Commitments and Obligations. Since fund holders, with assistance from supporting accounting offices, already conduct routine reviews of outstanding commitment and unliquidated obligation transactions for timeliness, accuracy, and completeness, this requirement merely formalizes these reviews three times each fiscal year. However, in order to comply with formal tri-annual review schedules, fund holders must complete these reviews not later than 10 working days after 31 January, 31 May and 30 September of each year.

The Tri-Annual Review Guidance, located on the DOD internet site at <http://www.dtic.mil/comptroller/fmr>, is explicit in delineating the responsibilities of Fund Holders and Accounting

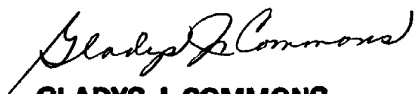
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Offices, including the requirements for a written confirmation statement. The guidance contains minimum review requirements for outstanding commitments and obligations of \$200,000 or more in the investment appropriations, and \$50,000 or more in the operating appropriations. However, all commitments and obligations, for the period ending 30 September, must be reviewed in order to meet the year-end confirmation statement requirements. Additionally, all required deobligations, adjustments or corrections identified during these reviews must be documented and processed within 10 working days of their identification. Internal controls shall be implemented by each entity as described in the FMR.

The comptroller/fiscal officer of an activity or office shall complete a formal signed confirmation statement attesting to the accomplishment of each tri-annual review and the accuracy and completeness of recorded amounts. The review documentation and the confirmation statement shall be completed within 21 working days following 31 January, 31 May and 30 September of each fiscal year. The fund holder confirmation statement, enclosure (1), must be forwarded to the major command. The major command will consolidate fund holder confirmation statements and send enclosure (2) to the Assistant Secretary of the Navy (Financial Management and Comptroller), Office of Budget (FMB-33).

Upon completion of the review, fund holders are required to maintain, for a period of 24 months, sufficient documentation to permit independent verification that reviews were accomplished as required. All provisions not stated in this guidance must follow procedures described in reference (a), which supercedes guidance issued in references (b) through (d).

My point of contact is Ms. Ramona Y. Jones at (703) 692-4811 or jones.ramona@hq.navy.mil.


GLADYS J. COMMONS
Principal Deputy
Assistant Secretary of the Navy
(Financial Management and Comptroller)

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Fund Holder Confirmation Statement

(Insert Command/Activity) certifies that a complete and accurate review has been performed in accordance with the checklist below. Appropriate corrective actions for erroneous entries that do not meet commitment/obligation criteria have been taken.

Fund Holder Signature and Title

Date

Criteria Checklist for Confirmation Statement

Complied With	Number	Criteria
<input type="checkbox"/>	1	Confirm that all commitments recorded in the system have been validated to a paper or an electronic data interchange (EDI) representation source document.
<input type="checkbox"/>	2	Confirm that all obligations recorded in the system have been validated to a hardcopy or an EDI source document.
<input type="checkbox"/>	3	Confirm that all accrued expenditures unpaid have been validated to an accounts payable record or an EDI source document.
<input type="checkbox"/>	4	Confirm that all reimbursements and other income earned have been validated to an accounts receivable record or an EDI source document.
<input type="checkbox"/>	5	Confirm that adequate follow up was conducted on all dormant commitments over 120 days old to determine if the requirement is still valid, or if an obligation document has been issued but not received or properly recorded.
<input type="checkbox"/>	6	Confirm that adequate follow up has been conducted on all dormant obligations over 120 days old to determine if the obligation is still valid.
<input type="checkbox"/>	7	Confirm that adequate follow up was conducted on all dormant accrued expenditures and earned receivables over 120 days old to determine if a disbursement or collection requires recording or matching.

Enclosure (1)

<input type="checkbox"/>	8	Confirm that all miscellaneous obligation documents, travel orders, and supply requisitions recorded in the system for more than 180 days have been deobligated, unless there is supporting documentation from the fund holder attesting to the purpose and validity of the obligation.
<input type="checkbox"/>	9	Confirm that all commitments that could not be substantiated or validated after a thorough review by the fund holder have been decommitted.
<input type="checkbox"/>	10	Confirm that all obligations that could not be substantiated or validated after a thorough review by the fund holder (and/or the accounting office) have been deobligated.
<input type="checkbox"/>	11	Confirm that reviews of dormant obligations include reviews of problem disbursements and in-transit disbursements.
<input type="checkbox"/>	12	Identify problems noted as a result of the review.
<input type="checkbox"/>	13	Advise whether, and to the extent which, adjustments or corrections to remedy noted problems have been taken.
<input type="checkbox"/>	14	Summarize, by type, the actions or corrections remaining to be taken, and when such actions/corrections are expected to be completed.
<input type="checkbox"/>	15	Identify what actions have been taken to preclude identified problems from recurring in the future.
<input type="checkbox"/>	16	Forward confirmation statements to your major command. Similarly, in the case of the major commands, confirmation statements shall be consolidated and sent to the Assistant Secretary (Financial Management and Comptroller) by the due date established.

Point of Contact: _____
Telephone: () _____ DSN: () _____
e-mail: _____
Fax Number: () _____

Enclosure (1)

Major Command (Comptroller) Confirmation Statement

(Insert Major Command/Activity) confirms that all of our activity fund holders (except for the activities listed below) have performed a complete and accurate review of obligations and commitments as prescribed in the DoDFMR Volume 3 Chapter 8.

Corrective actions have been taken for erroneous entries that do not meet commitment/obligation criteria.

Major Command (Comptroller)
Signature

Date

Activity	Reason for Non-Compliance	Expected Compliance Date

Point of Contact: _____
Telephone: () _____ DSN: () _____
e-mail: _____
Fax Number: () _____

Enclosure (2)